GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1819
ANSWERED ON:10.03.2017
FRBM Act
Mahendran Shri C.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government proposes to review/amend the Fiscal Responsibility and Budget Management Act recently;
(b) if so, the details thereof and the reasons therefor;
(c) whether the Committee constituted to review FRBM has submitted its report; and
(d) if so, the details thereof along with the salient features of the recommendations thereof?

Answer

MINISTER OF STATE FOR FINANCE (SHRI ARJUN RAM MEGHWAL)

In pursuance of the Budget announcement (para 111 of the Budget Speech, 2016-17), the Government constituted a Committee to comprehensively review and give recommendations on the FRBM roadmap for future. The Committee has submitted its report to the Government. The Committee has done comprehensive exercise and has recommended that a sustainable debt path must be the principal macro-economic anchor of our fiscal policy. The Committee has recommended Debt to GDP ratio of 60 per cent for the General Government by 2023, consisting of 40 per cent for Central Government and 20 per cent for State Governments. Within this framework, the Committee has recommended fiscal deficit of 3 per cent for the next three years. The Committee has also provided for Escape Clauses for deviations upto 0.5 per cent of GDP from the fiscal deficit target under certain circumstances.